

HINKLE ELKOURI LAW FIRM L.L.C.

ORDINANCE NO. 46-832

OF THE
CITY OF WICHITA, KANSAS

AUTHORIZING THE ISSUANCE OF
CITY OF WICHITA, KANSAS
TAXABLE INDUSTRIAL REVENUE BONDS
SERIES IX, 2005
(LEARJET INC.)

(Published in *The Wichita Eagle*, December 21, 2005)

ORDINANCE NO. 46-832

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS, TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$3,200,000 FOR THE PURPOSE OF PROVIDING FUNDS TO PURCHASE, ACQUIRE, CONSTRUCT AND EQUIP IMPROVEMENTS AND ADDITIONS TO CERTAIN EXISTING FACILITIES LOCATED IN THE CITY OF WICHITA, KANSAS; PRESCRIBING THE FORM AND AUTHORIZING EXECUTION OF A NINTH SUPPLEMENTAL TRUST INDENTURE BY AND BETWEEN THE CITY AND THE BANK OF NEW YORK TRUST COMPANY, N.A., ST. LOUIS, MISSOURI (SUCCESSOR TRUSTEE TO INTRUST BANK, N.A., WICHITA, KANSAS) (THE "TRUSTEE"), AS TRUSTEE WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A NINTH SUPPLEMENTAL LEASE BY AND BETWEEN LEARJET INC. AND THE CITY; APPROVING THE FORM OF A GUARANTY AGREEMENT; AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT BY AND BETWEEN THE CITY AND LEARJET INC., AS PURCHASER OF THE BONDS.

WHEREAS, the City of Wichita, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, renovate and equip certain facilities (as defined in the Act) for commercial, industrial and manufacturing purposes, and to enter into leases and lease-purchase agreements with any persons, firm or corporation for said facilities, and to issue revenue bonds for the purpose of paying the cost of any such facilities and to refund such revenue bonds previously issued; and

WHEREAS, pursuant to the Act, the Issuer's Governing Body has heretofore indicated the Issuer's intent to issue taxable industrial revenue bonds (Learjet Inc.), in the original aggregate principal amount not to exceed \$86,000,000, pursuant to a Letter of Intent dated September 10, 1996 (the "Letter of Intent") all for the purpose of paying the cost of constructing, installing and equipping certain manufacturing facilities (the "Project"); and

WHEREAS, pursuant to various ordinances of the Issuer, the Issuer has heretofore authorized the issuance of nine series of such taxable industrial revenue bonds, in the original aggregate principal amount of \$80,308,753.00 (the "Outstanding Bonds"), for the purpose of constructing, equipping and installing portions of the Project; and

WHEREAS, in connection with the issuance of the Outstanding Bonds, the Issuer has heretofore authorized (i) the execution and delivery of a Trust Indenture dated as of December 1, 1996 (the "1996 Indenture"), with The Bank of New York Trust Company, N.A., St. Louis, Missouri (as successor trustee to INTRUST Bank, N.A., Wichita, Kansas) (the "Trustee"), as supplemented and amended from time to time in accordance with the provisions thereof, for the purpose of issuing and securing the Outstanding Bonds and any Additional Bonds (as defined

therein), and (ii) the execution and delivery of a Lease Agreement dated as of December 1, 1996 (the "1996 Lease"), by and between the Issuer, as lessor, and Learjet, Inc., a Delaware corporation duly qualified to do business in the State of Kansas (the "Tenant"), as lessee, under which the proceeds of the 1996 Bonds were used to pay a portion of the costs of the 1996 Project; and

WHEREAS, the Issuer has heretofore and does hereby find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue a ninth series of its taxable industrial revenue bonds to be designated "City of Wichita, Kansas, Taxable Industrial Revenue Bonds, Series IX, 2005 (Learjet Inc.)" in the original aggregate principal amount not to exceed \$3,200,000 (the "2005 Bonds") for the purpose of purchasing, acquiring, constructing and equipping a portion of the Project (the "2005 Additions"); and

WHEREAS, the 2005 Bonds are more fully described in the Ninth Supplemental Trust Indenture and the Ninth Supplemental Lease hereinafter authorized; and

WHEREAS, the 2005 Bonds and the interest thereon shall not constitute an indebtedness of the Issuer within the meaning of any constitutional provision or statutory limitation, shall not constitute nor give rise to a pecuniary liability of the Issuer, nor shall any 2005 Bond or the interest thereon be a charge against the general credit or taxing powers of the Issuer; and

WHEREAS, the 2005 Bonds are not general obligations of the Issuer and are payable solely from certain fees, rentals, revenues and other amounts derived by the Issuer pursuant to the Lease, as the same may be amended and supplemented and, under certain circumstances, from the proceeds of the 2005 Bonds and insurance and condemnation awards; and

WHEREAS, the 2005 Bonds shall be equally and ratably secured and on a parity with the Outstanding Bonds and any Additional Bonds (collectively referred to hereinafter as the "Bonds") subject to any partial redemption or release of pledged property permitted by the Lease or Indenture (as hereinafter defined); and

WHEREAS, the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of the 2005 Bonds (i) to execute and deliver a Ninth Supplemental Trust Indenture dated as of December 1, 2005 (the "Ninth Supplemental Trust Indenture"), which Ninth Supplemental Trust Indenture further supplements and amends the 1996 Indenture, for the purpose of issuing and securing the 2005 Bonds as provided therein (the 1996 Indenture as supplemented and amended being hereinafter referred to as the "Indenture"); and (ii) to enter into a Ninth Supplemental Lease dated as of December 1, 2005 (the "Ninth Supplemental Lease"), which Ninth Supplemental Lease further supplements and amends the 1996 Lease (the 1996 Lease as supplemented and amended being hereinafter referred to as the "Lease"), pursuant to which the Issuer shall cause the 2005 Additions to be leased to the Tenant in consideration of payments of 2005 Supplemental Basic Rent, 2005 Supplemental Additional Rent and other charges provided for therein.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS AS FOLLOWS:

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Indenture and Lease.

Section 2. Authority to Cause the 2005 Additions to be Purchased, Acquired, Constructed and Installed. The governing body of the Issuer hereby declares that the 2005 Additions, if in being, would promote the welfare of the City of Wichita, Kansas, and the Issuer is hereby authorized to cause the 2005 Additions to be purchased, acquired, constructed and installed all in the manner and as more particularly described in the Ninth Supplemental Trust Indenture and in the Ninth Supplemental Lease hereinafter authorized.

Section 3. Authorization of and Security for the 2005 Bonds. There is hereby authorized and directed to be issued a series of the Issuer's taxable industrial revenue bonds in an original aggregate principal amount not to exceed \$3,200,000 for the purpose of purchasing, acquiring, constructing and equipping improvements and additions to existing facilities located in the City of Wichita, Kansas, such series of such taxable industrial revenue bonds to be designated "City of Wichita, Kansas, Taxable Industrial Revenue Bonds, Series IX, 2005 (Learjet Inc.)." The 2005 Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Indenture. The 2005 Bonds shall be equally and ratably secured and on a parity with the Outstanding Bonds and any Additional Bonds, subject to any partial redemption or release of pledged property permitted by the Lease or Indenture. The 2005 Bonds shall be special limited obligations of the Issuer payable solely from the revenues derived by the Issuer pursuant to the Lease, or otherwise in connection with the Project. The 2005 Bonds shall not be general obligations of or constitute a pledge of the faith and credit of the Issuer within the meaning of any constitutional or statutory provision and shall not be payable in any manner from tax revenues. The 2005 Bonds shall be secured under the provisions of the Indenture and are authorized hereby.

Section 4. Authorization of Ninth Supplemental Trust Indenture. The Issuer is hereby authorized to enter into the Ninth Supplemental Trust Indenture dated as of December 1, 2005, by and between the Issuer and The Bank of New York Trust Company, N.A., St. Louis, Missouri (as successor trustee to INTRUST Bank, N.A., Wichita, Kansas) (the "Trustee"), under which the Issuer shall pledge and assign to the Trustee, for the benefit of the holders of the Bonds, the Trust Estate referenced herein, all upon the terms and conditions set forth in the Indenture.

Section 5. Lease of the 2005 Additions. The Issuer shall cause the 2005 Additions to be leased by the Issuer to the Tenant pursuant to and in accordance with the provisions of the Ninth Supplemental Lease dated as of December 1, 2005, by and between the Issuer and the Tenant.

Section 6. Authorization of Bond Purchase Agreement. The 2005 Bonds shall be sold and delivered to Learjet Inc., upon the terms and subject to the provisions of the Bond Purchase Agreement herein authorized dated as of December 1, 2005 (the "Bond Purchase Agreement"), by and between the Issuer and Learjet Inc., as Purchaser.

Section 7. Approval of Guaranty Agreement. The form of Guaranty Agreement, dated as of December 1, 2005, pursuant to which the Tenant guarantees to the Trustee, for the

benefit of the Owners of the Bonds, the full and prompt payment of the principal of, redemption premium, if any, and interest on the Bonds, is hereby approved.

Section 8. Execution of 2005 Bonds and Agreements. The Mayor of the Issuer is hereby authorized and directed to execute the 2005 Bonds and deliver the same to the Trustee for authentication for and on behalf of and as the act and deed of the Issuer in the manner provided in the Indenture. The Mayor or Vice Mayor is hereby further authorized and directed to execute and deliver the Ninth Supplemental Trust Indenture, the Ninth Supplemental Lease and the Bond Purchase Agreement for and on behalf of and as the act and deed of the Issuer with such minor corrections or amendments thereto as the Mayor or Vice Mayor shall approve (which approval shall be evidenced by his or her execution thereof) and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance. The City Clerk and any Deputy City Clerk of the Issuer are hereby authorized and directed to attest the execution of the 2005 Bonds, the Ninth Supplemental Trust Indenture, the Ninth Supplemental Lease and the Bond Purchase Agreement and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 9. Pledge of the Project. The Issuer hereby pledges the 2005 Additions and the net revenues therefrom to the payment of the Outstanding Bonds in accordance with K.S.A. 12-1744. The lien created by such pledge shall be discharged when all of the 2005 Bonds shall be deemed to have been paid within the meaning of the Indenture, as the same may be amended.

Section 10. Further Authority. The Issuer shall, and the officers, agents and employees of the Issuer are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the Issuer with respect to the 2005 Bonds, the Ninth Supplemental Trust Indenture, the Ninth Supplemental Lease and the Bond Purchase Agreement all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 11. Effective Date. This Ordinance shall take effect and be in full force from and after its adoption by the governing body of the City of Wichita, Kansas and publication once in the official newspaper of the Issuer.

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PASSED by the governing body of the City of Wichita, Kansas this 20th day of December, 2005.

CITY OF WICHITA, KANSAS

Carlos Mayans, Mayor

[SEAL]

ATTEST:

Karen Sublett, City Clerk

Approved as to Form:

Gary E. Rebenstorf, City Attorney